

February 25, 2003

**FISCAL YEAR (FY) 2003 ALLOCATION AND ANNUAL BUDGET PLAN
PREPARATION FOR THE MEDICAL AND PROSTHETIC RESEARCH
APPROPRIATION**

1. PURPOSE: This Veterans Health Administration (VHA) Directive sets forth policy for the Fiscal Year (FY) 2003 Medical and Prosthetic Research appropriation. **NOTE:** *For the FY 2003 budget, quarterly distribution of facility level Research budgets are handled at the national level by the Office of Research and Development (R&D) (12), VHA Central Office.*

2. BACKGROUND

a. The Office of Research and Development (R&D) (12) provides VHA Central Office's assigned facility monetary allocations for all Department of Veterans Affairs (VA)-funded Research Programs. Field Biomedical applications for funding are submitted to VHA Central Office for scientific peer review. Funding is based on scientific excellence and relevance to veterans' health needs, independent of geography or other concerns.

b. The facility Director must accomplish the Research mission within the allocated funding. The funding allocations are the amounts assigned for planning purposes. Facilities will closely adhere to the actions required. However, these allocations are subject to change pending Congressional, Office of Management and Budget (OMB), administrative, or Research Merit Review actions.

3. POLICY: It is VHA policy that the FY 2003 allocation will be each facility's initial operating level.

4. ACTION

a. **Allocation**

(1) The Office of R&D, VHA Central Office, prepares the FY 2003 allocation, then transfers this information to the R&D Computer Center (RDCC) in Baltimore, MD.

(2) The RDCC is responsible for:

(a) Electronically transmitting the allocation to the VHA Office of Finance, where the funding levels are entered into the Automated Allotment and Control System (AACS). **NOTE:** *Subsequent transactions in the AACS will, in effect, revise the facility's funding levels.*

(b) Providing the R&D Field Station Offices with a copy of the Initial Target Allowance (ITA).

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(3) The Administrative Officer at each station is responsible for providing a copy of the ITA to the Fiscal Officer (04) and the facility Director (00). The Allocation is calculated with a 25 percent per quarter distribution. **NOTE:** *Every effort will be made to accommodate facility needs to adjust their quarterly distribution after the budget has been approved and released. It is suggested that facilities maximize the use of Prior Year dollars to alleviate distribution shortfalls.*

b. **Instructions.** Attachment A provides Medical and Prosthetic Research Notes and explanations.

5. REFERENCES: VHA Supplement, MP-4, Part VII.

6. FOLLOW-UP RESPONSIBILITY: The VHA Office of Finance and the Office of Research and Development are responsible for the content of this Directive. Questions may be addressed to Jeanne Fox at 202-273-8156.

7. RESCISSION: VHA Directive 2001-064, dated November 1, 2001, is rescinded. This Directive expires September 30, 2003.

S/ Nevin Weaver for
Robert H. Roswell, M.D.
Under Secretary for Health

Attachment

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ATTACHMENT A

MEDICAL AND PROSTHETIC RESEARCH NOTES

1. ALL RESEARCH AND DEVELOPMENT (R&D) PROGRAMS

a. All unobligated prior year balances, (.001 and .007) remaining as of September 30, 2002, are available for expenditure from Medical Research (821), Rehabilitation R&D (822), Health Services Research (824) or Cooperative Studies Research (825). Carryover is limited to 2 percent of the Fiscal Year (FY) 2002 allocation unless prior approval is obtained for a larger amount. Prior Year unobligated balances as of February 1, 2003, may be withdrawn. Facilities are expected to spend all Prior Year availability before using current year funding.

b. As in previous years, the R&D Office provides administrative support for Medical Research, Rehabilitation R&D, Health Services Research, and Cooperative Studies Research in Program 821 funding.

c. **Employee Travel.** This allowance is provided to cover FY 2003 Facility Directed Employee Travel requirements for the purposes cited in subparagraph 1c(1).

(1) **Facility-Directed Employee Travel.** Travel funds are allocated specifically for facility-directed employee travel related to: locally approved institutional Research support activities, review of programs, and for the travel of Career Development appointees. The facility Director may authorize employee travel within the amount provided to permit facility employees to attend scientific meetings, to present scientific papers, to participate in discussions on scientific subjects of importance to research, to obtain or exchange scientific information of significance to research, or to receive training provided by manufacturers in the use of specialized equipment procured by Research.

(2) **Centrally Directed Employee Travel.** Employee travel required as an integral part of Research activities continues to require VHA Central Office approval. Employee travel details requiring such approval include participation in VA cooperative study meetings, VHA Central Office-directed Research conferences, annual professional meetings, committee meetings, permanent transfers of Research employees, or for such travel as indicated in preceding subparagraph 1c(1) for which funds were not provided in the initial allocation. These travel requests may be approved for centrally directed funding.

c. **Employment.** Employment level assignments will not be made at the individual station level. Total program FTE will be monitored centrally by the Office of R&D.

d. **Medical Research (821) Program, Rehabilitation Research (822) Program, Environmental Health (823) Program, Health Services R&D (824) Program, and Cooperative Studies Research (825) Program.** Allowances reflect initial fiscal year monetary allocations for all program requirements.

2. ITEMS NOT INCLUDED IN THE ALLOCATION

The allocation reflects the initial monetary allocations for all Research Program requirements except for General Post Fund reimbursements or other reimbursable funds, defined as “other Research support” in the VHA Supplement to MP-4, Part VII.

a. **General Post Fund Reimbursements.** Salary costs cannot be charged directly to the General Post Fund. Therefore, salary costs associated with research projects must be offset against General Post Fund donations by processing an appropriation reimbursement to the Research Appropriation and notifying VHA Central Office’s R&D Office (12B1) that the reimbursement has been accomplished, before requesting that these funds be made available to the facility.

b. **Direct Grants and Interagency Reimbursements.** Funding for direct grant reimbursements and interagency reimbursements is allocated by quarter, upon request. Funding provided for reimbursable programs may not be used for other purposes. The budget year for funding Interagency Agreements is determined by the source funding appropriation. The period of availability of funds may not exceed the period of availability from the source agency. Interagency Agreements may not be used to extend the obligation life of an appropriation beyond the time provided by Congress in the original source appropriation.

3. FY 2003 MEDICAL AND PROSTHETIC RESEARCH ANNUAL BUDGET PLAN

Budget questions need to be referred to: Maureen Carroll, (202) 565-4936 (program 820), Sara Clark, (202) 408-3605 (program 821), Joann Johnson, (202) 408-3678 (program 822), Janet Julian, (202) 273-8250 (program 823), Rita Lysik (202) 565-7010 (program 824), Steve Berkowitz, (202) 565-7812 (program 825).